Board of Water Commissioners of the City of Saint Paul

September 9, 2008 Meeting

> Agenda and Minutes

BOARD OF WATER COMMISSIONERS

September 9, 2008

Agenda

CONSENT AGENDA:

- 1. Approval of the Minutes of the regular meeting of August 2008.
- 2. Approval of the Financial Statements for the month of July 2008.

ACTION ITEMS:

- 3. Resolution No. 7000 pertaining to an agreement with Industrial Automation Engineering, Inc. to provide network support and programming services for its SCADA/DACS and PLC systems at McCarrons Water Treatment Plant.
- 4. Resolution No. 7001 pertaining to a lease agreement with New Cingular Wireless PCS, LLC allowing the installation of wireless communication equipment at the St. Anthony Park Water Tower site located at 1515 North Cleveland Avenue in Saint Paul.
- 5. Resolution No. 7002 pertaining to approval of a Zebra Mussels and Other Invasive Species Plan.

DISCUSSION ITEM:

6. 2009 Budget. (no attachment)

GENERAL MANAGER'S REPORT

BOARD OF WATER COMMISSIONERS

September 9, 2008

Minutes

President Harris called the meeting to order at 5 p.m. in the Committee Hearing Room 330, City Hall.

Role call.

Present: President Harris, Vice President Zanmiller, Secretary Gagnelius, Commissioners
Anfang, Bostrom and Rossbach.

Commissioner Carter III arrived during Item Number 6.

Commissioner Kleindl arrived during Item Number 3.

Lisa Veith, Board Attorney; Scott Cordes, Office of Financial Services; Steve Gleason, Jim Graupmann, Ruth O'Brien, Bill Tschida; Saint Paul Regional Water Services.

Consent Agenda Items Nos. 1 and 2 were moved for approval by Vice President Zanmiller as follows:

CONSENT ITEMS:

- 1. Approval of the Minutes of the regular meeting of August 2008.
- 2. Approval of the Financial Statements for the month of July 2008.

Approved.

Yeas - 5

Nays - 0

ACTION ITEMS:

3. Resolution No. 7000 pertaining to an agreement with Industrial Automation Engineering, Inc. to provide network support and programming services for its SCADA/DACS and PLC systems at McCarrons Water Treatment Plant.

Mr. Schneider explained that the firm of Industrial Automation Engineering, Inc. (IAE) has satisfactorily provided SPRWS SCADA/DACS system maintenance work for the last four years. Similar to the previous agreement, the work addressed by this proposed four-year agreement would be performed on an on-call basis.

IAE was the only responder to an RFP issued earlier this year.

Commissioner Rossbach asked if \$95 per hour was a reasonable rate for this type of work.

Mr. Schneider replied that it was, adding that IAE charged that rate on the previous agreement since 2004. This agreement provides an increase of 10% over its four-year term, or roughly 2.5% per year.

Resolution No. 7000 was moved for approval by Commissioner Bostrom as follows:

WHEREAS, the Board of Water Commissioners desires to obtain professional support and programming services for its SCADA/DACS and PLC automated systems at McCarrons Water Treatment Plant for years 2008 through 2011; and

WHEREAS, staff did solicit proposals from firms qualified to provide said services, with the firm of Industrial Automation Engineering, Inc. being the only respondent; and

WHEREAS, staff has prepared an agreement which sets forth the specifications for providing said services at costs not to exceed the following:

2008 \$ 43,000 2009 \$ 46,000 2010 \$ 46,000 2011 \$ 48,300 Total \$184,000

WHEREAS, staff does recommend approval of said agreement; now, therefore, be it

RESOLVED, that the Agreement between the Board of Water Commissioners and Industrial Automation Engineering, Inc. to provide professional support and programming services for its SCADA/DACS and PLC automated systems at its McCarrons Water Treatment Plant for years 2008 through 2011 is hereby approved in substantially the form submitted, and that the proper officers are hereby authorized to execute said Agreement on behalf of the Board following approval by the assistant city attorney.

Approved. Yeas - 6 Nays - 0

4. Resolution No. 7001 pertaining to a lease agreement with New Cingular Wireless PCS, LLC allowing the installation of wireless communication equipment at the St. Anthony Park Water Tower site located at 1515 North Cleveland Avenue in Saint Paul.

Mr. Schneider explained that the lease agreement for installation of wireless communication equipment at the St. Anthony Park Tank is modeled after the recent Cottage Avenue Standpipe lease with T-Mobile. The starting annual rent of \$27,000 and 5% annual escalator is in keeping with Board directives. Resolution No. 7001 was moved for approval by Commissioner Bostrom as follows:

WHEREAS, New Cingular Wireless PCS, LLC desires to lease space from the Board of Water Commissioners at its St. Anthony Park Water Tower site located at 1515 North Cleveland Avenue, Saint Paul, Minnesota 55108, to install and operate a wireless communication system; and

WHEREAS, staff has prepared a Lease Agreement which provides for a five (5) year lease and which automatically renews for three (3) additional five (5) year terms, starting at an annual lease rent of \$27,000 and increasing each subsequent year by five percent (5%), and does recommend approval of same; now, therefore, be it

RESOLVED, that the Lease Agreement between the Board of Water Commissioners and New Cingular Wireless PCS, LLC is hereby approved in substantially the form submitted, and that the proper officers are hereby authorized to execute said Lease Agreement on behalf of the Board following final approval by the assistant city attorney; and, be it

FURTHER RESOLVED, that the Honorable Council of the City of Saint Paul is hereby requested to approve said Lease Agreement and to authorize the proper officers of the City of Saint Paul to execute said Lease Agreement on behalf of the City.

Approved. Yeas - 6 Nays - 0

5. Resolution No. 7002 pertaining to approval of a Zebra Mussels and Other Invasive Species Plan.

Mr. Schneider explained that the resolution would establish a plan to be followed by SPRWS staff as it deals with zebra mussels and other invasive species.

As discussed at the two previous Board meetings, the plan addresses 1) how to deal with zebra mussels that are currently in our system, 2) how to prohibit mussels from leaving our system, and 3) how to prohibit other invasive species from entering our system from the Mississippi River.

Ms. Gagnelius distributed copies of a letter from the city of Maplewood to the Board (attached) which strongly recommends that the utility continue to work with Minnesota DNR to prevent the spread of invasive species.

Commissioner Anfang asked if an entity could be found liable and required to perform remediation in the event invasive species find their way from its water to another waterway.

Mr. Schneider replied that he asked the assistant city attorney that question when zebra mussels were first discovered in the utility's lake system. The response was that because it cannot be definitively determined how the mussels were spread, it would be very difficult to bring a case against the utility.

Commissioner Rossbach stated that the city of Maplewood letter was sent in response to the concerns he expressed as a Maplewood councilmember. Its purpose was to encourage the Board to direct staff to do all it can to prevent discharge of lake system water into other water bodies.

Mr. Schneider said he had that type of directive in mind when drafting the plan, which states that staff shall make all reasonable efforts to ensure that water is not discharged to another water body.

Resolution No. 7002 was moved for approval by Commissioner Bostrom as follows:

WHEREAS, in response to a Minnesota Department of Natural Resources report of the presence of zebra mussels in the Mississippi River, the Board of Water Commissioners contracted with the firm of Camp Dresser & McKee, Inc. to provide a study recommending action steps to be taken by Saint Paul Regional Water Services to address the problem of zebra mussels and other invasive species within its source waters and facilities; and

WHEREAS, Camp Dresser & McKee, Inc. prepared a Management Plan dated June 26, 2008 that provided such recommendations; and

WHEREAS, based on said Management Plan, staff prepared a Zebra Mussels and Other Invasive Species Plan, and the General Manager has requested that the Board approve said Plan, now, therefore, be it

RESOLVED, that the Board of Water Commissioners does hereby approve the Zebra Mussels and Other Invasive Species Plan, attached hereto and incorporated herein, and does hereby direct the General Manager of Saint Paul Regional Water Services to implement the recommendations of said Plan.

Approved.

Yeas - 6

Nays - 0

DISCUSSION ITEM:

6. 2009 Budget. (no attachment)

Mr. Schneider distributed a revised proposed budget that reflected an increase in water rates of 9.9% instead of 8.4% and an increase in operations spending of \$4.0 million instead of \$3.6 million.

The proposed rate increase would cost the typical residential customer \$1.39 a month, or \$16.72 per year. The proposed increase in operation costs is mostly attributed to recently revised estimates for chemicals, electricity and fuel, and also the initiation of a GAC Medium Replacement Fund.

Commissioner Anfang asked what the cost to a typical low-volume and high-volume commercial user would be

Mr. Schneider stated staff was currently working on determining those typical costs and the results would be given to the Board as soon as they were available.

President Harris asked if the GAC Medium Replacement Fund would be spent each year or if it was created to build a cash balance for future expense.

Mr. Schneider replied that for the most part, it would be spent each year; but creating the fund in 2009 and not expensing it until 2010 creates a one-year cushion as replacement schedule begins.

President Harris stated he may wish to further explore that approach at some future time.

Mr. Schneider stated that the latest the Board could recommend a 2009 budget to the City Council is at its October 14, 2008 Board meeting, unless it wished to schedule a special meeting after that Board meeting and before the November 5, 2008 public hearing.

GENERAL MANAGER'S REPORT

- Mr. Schneider proposed that the Board not meet in November because of conflicts with Election
 Day and Veterans' Day Holiday on the first two Tuesdays of the month.
 The Board agreed unanimously.
- 2. The Republican National Convention was uneventful for the utility.

The meeting was adjourned at 5:40 pm.

Attest:

Mellie Hognelius Secretary	
Secretary	President